

The Honorable Christopher M. Alston
Chapter 11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re

NORTHWEST TERRITORIAL MINT, LLC,

Debtor.

No. 16-11767-CMA

DECLARATION OF ROSS HANSEN IN
OPPOSITION TO MOTION FOR
ORDER TO SHORTEN TIME

I Ross Hansen, declare as follows:

1. Attached hereto as Exhibit A is a copy of a proposal that was submitted through my counsel to counsel for the Trustee in this matter.

2. Neither I nor Mr. Parrish, who owns Alternative Logistics, has been permitted to inspect the Debtor's premises.

I declare under penalty of perjury under the laws of the United States of America that the aforementioned is true and correct.

EXECUTED this 22nd day of January, 2018 at Auburn,
Washington.



Ross Hansen

DECLARATION OF ROSS HANSEN IN OPPOSITION TO MOTION FOR
ORDER TO SHORTEN TIME - 1
4839-8478-8570v.1 0106937-000001

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EXHIBIT A

NORTHWEST TERRITORIAL MINT

Term Sheet for Section 363 Asset Purchase Agreement

January 11, 2016

The following is a summary of proposed terms and conditions by which Alternative Logistics LLC and/or one or more of its affiliates (the “Buyer”) would acquire all or substantially all of the assets of Northwest Territorial Mint LLC and Medallic Art LLC (the “Seller”) used or useful in the operation of its business pursuant to Section 363 of the Bankruptcy Code. This is a non-binding term sheet, and does not create any legally binding obligation of any party. Any obligations of the parties will arise only upon execution of an Asset Purchase Agreement (the “APA”) that is acceptable to each party in its sole and absolute discretion and which is approved by the Bankruptcy Court.

Seller	Northwest Territorial Mint, as debtor in possession
Buyer	Alternative Logistics LLC and/or one or more of its affiliates
Purchase Price	The Purchase Price for the Purchased Assets shall equal the sum of \$1 million plus assumption of the post-closing liabilities under the lease for Seller’s facility located in Dayton, Nevada.
Purchased Assets	<p>All tangible and intangible assets of Seller used or useful in the operation of Seller’s business, other than the Excluded Assets, including, without limitation, the following:</p> <ul style="list-style-type: none">• Cash• Accounts receivable that have not been pledged in connection with DIP financing• Customer deposits• All other rights and claims of Sellers against third parties• Inventory• Equipment• Intellectual property and software• All books and records of Seller, including written and electronic files• Customer lists• Contracts and Leases <p>The Purchased Assets shall include all assets of Northwest Territorial Mint LLC and Medallic Art LLC. In addition, the Seller shall release any claim to assets in its possession that may be the property of Ross Hansen, Diane Erdmann, and Medallic</p>

	<p>Art L.P.</p> <p>The Purchased Assets will be transferred to Buyer free and clear of all interests, liens, claims and encumbrances pursuant to Section 363 of the Bankruptcy Code, and to the extent that the Purchased Assets include executory contracts or leases, they shall be assumed and assigned pursuant to Section 365 of the Bankruptcy Code.</p>
Excluded Assets	Such assets as Buyer determines in the course of its due diligence review, to be identified and scheduled as of the Closing, including all contracts and leases not specifically identified for assumption and assignment.
Assumed Liabilities	<p>Buyer will not assume any liabilities or obligations of the Seller, whether currently known or unknown, other than:</p> <ul style="list-style-type: none"> • Obligations under assumed executory contracts (“<u>Assumed Contracts</u>”); and • Obligations specifically agreed upon by Buyer prior to Closing.
Excluded Liabilities	Any and all liabilities or obligations of the Seller, whether currently known or unknown, other than the Assumed Liabilities. Excluded Liabilities shall expressly include all liabilities for claims of professionals incurred in connection with the Seller’s bankruptcy case, claims of pre- and post-petition creditors of Seller.
Closing	The consummation of the proposed transaction (“ <u>Closing</u> ”) shall take place within five (5) business days following the satisfaction of all conditions to Closing.
Purchase Price Allocation	Within ninety (90) days following the Closing, the parties shall agree upon an allocation of the Purchase Price among the Purchased Assets based on their fair market value in accordance with Section 1060 of the Tax Code.
Representations and Warranties	The parties would provide customary representations and warranties to one another provided in connection with a Section 363 sale.
Covenants	<p>Absent Buyer’s consent, Seller would undertake certain pre-Closing covenants, including, without limitation:</p> <ul style="list-style-type: none"> • Absent Buyer’s consent, Seller will conduct its business in the ordinary course in a manner consistent with past practice;

	<ul style="list-style-type: none"> • Seller will use its best efforts to maintain its properties and other assets in good working condition; • Seller will use its best efforts to maintain its business and employees, customers, assets and operations as a going concern; • Seller will not dispose of any assets, including without limitation, any equipment or inventory, intellectual property; and • Seller will use its best efforts to obtain all required consents and governmental approvals (including Bankruptcy Court approvals). <p>Seller would undertake certain post-Closing covenants, including, without limitation:</p> <ul style="list-style-type: none"> • No disclosure of any confidential information relating to the Purchased Assets; • Seller will assist Buyer with any proceedings relating to the Purchased Assets; and • Seller shall not make any disparaging statements about Buyer or its affiliates.
Due Diligence	<p>Seller will allow Buyer and its advisors full access to the facilities, records, employees, customers, suppliers and advisors of Seller's business for the purpose of completing Buyer's due diligence review. The due diligence investigation will include, but is not limited to, a complete review of the financial, legal, tax, contractual, intellectual property and labor records and agreements of the business, and any other matters as Buyer's accountants, tax and legal counsel, and other advisors deem relevant.</p>
Termination	<p>Buyer will be entitled to terminate the APA:</p> <ul style="list-style-type: none"> • With the written consent of the Seller. • If there has been a breach of or default under any Seller representation, warranty or covenant which is not capable of being cured or, if curable, shall not have been cured within five (5) days of such breach or default. • Upon the happening of any event which makes satisfaction of any condition precedent to Buyer's obligation to close impossible. • If the Closing shall not have occurred by a date to be agreed upon in the APA (the "Outside Date"). • If the Seller has not filed the Sale Motion within 3 business days of execution of the APA. • If the Bankruptcy Court either shall not have approved the

	<p>contemplated transaction with Buyer within 30 calendar days of execution of the APA, or if the Bankruptcy Court shall have approved a transaction by Seller with another party that would prevent the consummation of the contemplated transaction with Buyer.</p> <p>Seller will be entitled to terminate the APA:</p> <ul style="list-style-type: none"> • With the written consent of Buyer. • If there has been a breach of or default under any Buyer representation, warranty or covenant which is not capable of being cured or, if curable, shall not have been cured within five (5) days of such breach or default.
Conditions Precedent to Closing	<p>The APA shall include the following conditions precedent to Buyer's obligation to close, as well as other customary conditions precedent to closing, as determined by the Buyer:</p> <ul style="list-style-type: none"> • Seller will have been complied with all its covenants in all respects. • Seller's representations and warranties shall be accurate as of the Closing. • Buyer shall be satisfied with its due diligence review in its absolute discretion. • The Landlord of the Seller's Dayton, Nevada facility shall have consented to the assignment of the lease for that facility to Buyer on terms satisfactory to Buyer. • The receipt of all required consents and governmental approvals. • No order, action, rule or regulation shall have been entered, initiated, promulgated or issued that would prohibit the consummation of the contemplated transactions. • No event shall have occurred that constitutes or could be expected to constitute a material adverse effect on Seller's business. • Entry of an order by the Bankruptcy Court approving the purchase and sale of assets and assumption and assignment of contracts to Buyer in a form acceptable to Buyer (the "<u>Sale Order</u>") on or before June 10, 2016.
Bankruptcy Procedures	<p>Immediately upon execution of the APA, Seller shall file a motion with the Bankruptcy Court seeking approval of the proposed transactions. Such motion shall be set for the earliest available date.</p>

Employee Issues	Buyer expects to offer employment to a substantial number of Seller's current employees. Buyer will assume liability for pre-closing obligations to employees that Buyer, in the exercise of its sole discretion, elects to hire. Seller shall remain liable for all pre-closing liabilities to employees that Buyer does not hire.
Indemnification	The APA will contain indemnification provisions customary for a transaction of this type.
Documentation	An Asset Purchase Agreement (the "APA") and related documentation typical for a Section 363 sale transaction
Governing Law	State of Washington